

## Assembly Bill No. 746

### CHAPTER 349

An act to amend Section 85320 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 7, 2000. Filed with Secretary of State September 8, 2000.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 746, Papan. Political Reform Act of 1974.

(1) Existing provisions of the Political Reform Act of 1974, with certain exceptions, forbid any foreign government or foreign principal from making any contribution, expenditure, or independent expenditure in connection with the qualification or support of, or opposition to, any state or local ballot measure. This provision defines foreign principal as a foreign government or foreign political party, a person outside of the United States, except as specified, or a foreign partnership, association, corporation, organization, or other combination of persons.

This bill would revise that definition to include (a) a foreign political party, (b) a foreign company, as specified, (c) a person outside the United States, unless the person is either an American citizen or an American entity, as specified, and (d) a domestic subsidiary or a foreign corporation if the decision to contribute is made by a specified officer or employee of the corporation who is not a United States citizen or permanent resident. The bill would delete an exception in current law for this last category. The bill would also specify that this provision shall not prohibit a contribution, expenditure, or independent expenditure by a lawfully admitted permanent resident.

(2) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

*The people of the State of California do enact as follows:*

SECTION 1. Section 85320 of the Government Code is amended to read:

85320. (a) No foreign government or foreign principal shall make, directly or through any other person, any contribution, expenditure, or independent expenditure in connection with the

qualification or support of, or opposition to, any state or local ballot measure.

(b) No person and no committee shall solicit or accept a contribution from a foreign government or foreign principal in connection with the qualification or support of, or opposition to, any state or local ballot measure.

(c) For the purposes of this section, a “foreign principal” includes the following:

(1) A foreign political party.

(2) A person outside the United States, unless either of the following is established:

(A) The person is an individual and a citizen of the United States.

(B) The person is not an individual and is organized under or created by the laws of the United States or of any state or other place subject to the jurisdiction of the United States and has its principal place of business within the United States.

(3) A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.

(4) A domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is neither a citizen of the United States nor a lawfully admitted permanent resident of the United States.

(d) This section shall not prohibit a contribution, expenditure, or independent expenditure made by a lawfully admitted permanent resident.

(e) Any person who violates this section shall be guilty of a misdemeanor and shall be fined an amount equal to the amount contributed or expended.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

